

<b>REPORT TO:</b>	<b>Pension Committee</b> <b>16 March 2021</b>
<b>SUBJECT:</b>	<b>Review of Risk Register</b>
<b>LEAD OFFICER:</b>	<b>Nigel Cook Head of Pensions and Treasury</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: This report forms an important component of the governance arrangements for the stewardship of the Pension Fund (“the Fund”).	
<b>FINANCIAL SUMMARY:</b> Financial risks relating to the Pension Fund are substantial and can impact on the General Fund of the Council.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.: N/A</b>	
<b>1. RECOMMENDATION</b>  1.1 The Committee is asked to note the contents of the Pension Fund Risk Register and to comment as appropriate.	

## **2. EXECUTIVE SUMMARY**

- 2.1 It is recommended best practice for the Pension Committee to maintain a risk register covering the most significant risks faced by the Fund. This report presents the current register (Appendix A) for the Committee’s consideration.

## **3 DETAIL**

- 3.1 Best practice recommends that a risk register is maintained by the Pension Committee recording relevant risk scenarios, together with an assessment of their likelihood and impact and appropriate mitigations. This report discusses the most significant risks relating to governance, funding, assets and liabilities and operational matters. Appendix A details these risks.
- 3.2 The Committee is invited to comment on whether it considers this list sufficiently exhaustive and whether the assessment of each risk matches its perception on the adequacy of existing and future controls.
- 3.3 In accordance with the Risk Management Policy, the Risk Register is reviewed periodically and reported to the Committee on a quarterly basis.
- 3.4 Risks are rated on a scale of 1 (rare) to 5 (almost certain) on the likelihood of the risk occurring and its impact of 1 (insignificant) to 5 (catastrophic) if it does as shown in the matrix attached to the Log (Appendix A). This allows a range of

potential scores of between 1 and 25 by multiplying the likelihood score by the impact score. The register shows that there are 15 risks on the register with 13 being significant risks for the Fund (ie scored 12 or higher) and is attached as Appendix A to this report.

3.5 Since the Committee last reviewed the Register on 8 December 2020, one risk relating to the 95K cap has been removed due to the revocation of legislation in this regard.

3.6 The Committee is asked to note the contents of the Pension Fund Risk Register and to comment as appropriate.

#### **4. CONSULTATION**

4.1 Officers have previously consulted with both the Pension Committee and Local Pension Board on the template for the Risk Register which forms the basis of Appendix A .

#### **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

5.1 There are no financial considerations arising from this report.

Approved by: Chris Buss, Interim Director of Finance, Investment and Risk, S151 Officer

#### **6. LEGAL CONSIDERATIONS**

6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Pension Committee role is to ensure the Fund is properly operated in accordance with the Local Government Pensions Scheme Regulations (“the Regulations”) all other relevant legislation and best practice as advised by the Pensions Regulator, including financial, governance and administrative matters. This includes ensuring compliance with the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended) and LGPS (Management and Investment of Funds) Regulations 2016

6.2 In addition, the Committee is responsible for compliance with all financial and regulatory requirements of the Fund.

6.3 The Pension Committee Terms of Reference, Part 4N of the Council’s Constitution provides at paragraph 2.3 that it shall: Discharge its fiduciary responsibility in the best interest of the Fund, in particular:  
*“d. To approve and monitor compliance of statutory statements and policies required under the Regulations...*  
*f. To ensure that the Council discharges its obligation, as administering authority for the local government pension scheme, to other scheme employers...;*

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Interim Director of Law and Governance.

## **7. HUMAN RESOURCES IMPACT**

7.1 There are no direct workforce implications arising from the recommendations within this report.

Approved by: Sue Moorman, Director of Human Resources

## **8. EQUALITIES IMPACT**

8.1 There are no equalities impacts arising from this report.

## **9. ENVIRONMENTAL IMPACT**

9.1 There are no environmental impacts arising from this report.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 There are no crime and disorder impacts arising from this report.

## **11. DATA PROTECTION IMPLICATIONS**

11.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**NO**

The Director of Human Resources comments that this report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

Approved by: Sue Moorman, Director of Human Resources

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### **CONTACT OFFICER**

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### **APPENDICES:**

Appendix A: Risk Register

### **BACKGROUND DOCUMENTS:**

None